



THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION



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**New Hampshire Department of Transportation
Public Transportation Programs
State Management Plan**

The Department of Transportation has prepared a draft revised State Management Plan for the Federal Transit Administration programs it administers. This plan is required for the following FTA programs:

- Nonurbanized Area Formula Program (Section 5311)
- Elderly Individuals and Individuals with Disabilities Program (Section 5310)
- Job Access and Reverse Commute (JARC) Program (Section 5316)
- New Freedom Program (Section 5317)

The Plan spells out the Department's role and responsibility in administering these programs, its goals and objectives, eligibility for the programs, and how the Department and the public transit agencies receiving the funds follow the program requirements.

Among the issues covered in the Plan are coordination of transit and other transportation funding programs, use of money set aside for intercity bus service, the criteria for selecting funding recipients, and the distribution of funds under these programs.

In the past the Department has prepared separate plans for the Section 5310 and 5311 programs. Legislation now requires a plan for all four of the programs listed above, and the Department has prepared a single document for all four.

The plan may be found on the Department's web site at the Bureau of Rail & Transit site: www.nh.gov/dot/bureaus/railandtransit/index.htm . Copies are available on request from the Bureau at the address below.

Comments and questions on the Plan are welcome. The Plan must be submitted for approval to the FTA Region 1 office, so comments should be submitted by December 1 to be considered in revisions of the draft Plan.

**New Hampshire Department of Transportation
Public Transportation Programs
State Management Plan**

Introduction. This document spells out the policies and procedures of the New Hampshire Department of Transportation in administration of the public transportation programs funded by the Federal Transit Administration (FTA). These programs are:

- Nonurbanized Area Formula Program (Section 5311)
- Elderly Individuals and Individuals with Disabilities Program (Section 5310)
- Job Access and Reverse Commute (JARC) Program (Section 5316)
- New Freedom Program (Section 5317)

In general, the Department's requirements for these programs are those of the FTA. These are spelled out in the respective program guidance circulars published by the FTA.

Roles and Responsibilities. The New Hampshire Department of Transportation has been designated by the governor as the agency responsible for state administration of FTA public transportation programs. The Department is the recipient of FTA grants for the programs listed above. Within the Department, that responsibility falls upon the Bureau of Rail & Transit. The Bureau administers the programs through contracts with transit and paratransit providers, who are considered FTA subrecipients. The Bureau works with other state agencies involved in funding transportation services, as well as regional planning commissions and local jurisdictions, in its administration of the FTA programs. For Section 5316 and 5317, the Department conducts the competitive selection process and transfers funds to the Section 5307 Urbanized Area Formula Program for projects in urbanized areas that will be implemented by other designated recipients.

Program Goals. The goals of the State's public transportation program are:

- To enhance the access of all residents and others to employment, education, health care, public services, shopping, and recreation;
- To assist in the maintenance, development, improvement, and use of public transportation systems, including specialized transportation, in rural and small urban areas;
- To improve the quality and availability of existing public and specialized transportation services;

Program Objectives. The Department's objectives in administering the public transportation program are:

- To facilitate the most efficient use of all Federal funds used to support public transportation in non-urbanized areas through coordination of services;
- To utilize the FTA Section 5309 and any other sources of capital assistance to replace outdated capital equipment with new equipment and provide modern and efficient transit facilities;

- To use streamlined, efficient procedures for applications, drawdown of funds, and reporting by subrecipients to keep administrative burdens to a minimum;
- To monitor performance measures of subrecipients to encourage improved effectiveness and efficiency from year to year;

Section 5311 objectives:

- To maintain a minimum workable level of Section 5311 funds sufficient to support viable operations by existing subrecipients before providing grants to new subrecipients, unless additional funds are available;
- To make the maximum use of the State's allocation by targeting available Section 5311 funds to eligible regions according to demonstrated need and the effectiveness of existing service.

Coordination. The Department strongly encourages coordination of public transportation services supported by FTA and other federal sources. The public transportation grant application requires potential subrecipients to spell out their efforts at coordination with other providers. The Department attempts to achieve close coordination between the Section 5311 and 5310 programs by offering other agencies an opportunity to comment on Section 5311 applications. The Department requires all Section 5310 applicants to offer Section 5311 operators in their community the opportunity to review their grant request to the Department. A capital grant will not normally be awarded to a provider in a community served by a Section 5311 operator unless that operator certifies that it cannot feasibly provide the proposed service. The Department actively seeks, through participation in committees, studies, and demonstration and technical assistance projects, to coordinate funding provided by other sources in a similar manner. This includes active membership on the Statewide Coordination Council for Community Transportation, established by the New Hampshire legislature in 2007. The Council is charged with implementing the statewide coordination program recommended in the 2006 report commissioned through a United We Ride grant to the Department of Transportation.

Eligible subrecipients. The state does not impose any limitation on subrecipients, services, or assistance categories more restrictive than those established by FTA. Eligible subrecipients are: **Section 5310:** private nonprofit organizations or government entities that the Department has designated as lead coordination agencies

Section 5311: local government entities, private nonprofit organizations, Indian tribes, public corporations or commissions established by state legislation, or private operators of transportation services acting as subcontractors to the Department.

Section 5316 and 5317: local government entities, private nonprofit organizations, or private operators of transportation services.

On behalf of the state, the Department may implement projects with a statewide significance with funding from these programs. These may include (but are not limited to) technical assistance programs, ridesharing, or statewide and regional coordination, intelligent transportation, or public awareness projects.

All subrecipients are encouraged to work with private providers in developing and operating service.

Eligible service, service areas and assistance categories (Section 5311). Eligible service is described by FTA circular 9040.1F. The Department defines eligible service areas as those cities and towns in which a transit provider offers regular scheduled service open to the general

public. Charter and school bus operations are not eligible except as permitted by FTA regulations. The eligible assistance categories shall be those established by FTA: administration, capital, and operating expenses, as outlined in the respective FTA circulars. The Department does permit funding of preventive maintenance and ADA paratransit at the 80% capital rate and program administration at 80%, if sufficient funding exists.

Local Share and Funding Requirements. Subrecipients in all programs are responsible for providing matching funds in the amounts specified by FTA, at a minimum. The Department provides other sources of funding to augment these funds, if available. When state appropriations permit, the Department provides a) up to one-half of 20% matching funds for public transit vehicle grants, and b) operating assistance for public transit service (urbanized or rural) according to a formula based on ridership. Beyond these resources, the subrecipient will be responsible for providing 20% of administrative and capital expenses and 50% of operating deficits.

Project Selection Criteria. Before receiving funding approval, applicants must meet the following criteria:

- The proposed service effectively addresses a demonstrated community need.
- The applicant has the fiscal and technical capacity and adequate budget to operate its service.
- The applicant has successful experience in providing transportation services.
- The application shows coordination with other transportation providers in the service area: public, nonprofit, and for-profit.
- The applicant demonstrates involvement in and support for the project, financial and otherwise, on the part of citizens and local government.
- The applicant demonstrates effort to involve the private sector in the delivery of transportation services.
- Elderly and disabled citizens have full access to the applicant's services.
- The applicant successfully demonstrates service efficiency and effectiveness, measured in ridership, service miles and hours, costs, and fare recovery. New applicants must demonstrate the ability to measure performance and achieve goals.
- The applicant complies with relevant Federal and state regulations, and has a history of compliance with regulations and reporting requirements.
- Section 5310: The extent to which the vehicle(s) requested will serve a broad base of riders; the absence of restrictions on vehicle use.

Distribution of Funds. Section 5311: For applicants that meet the above criteria, the Department determines funding levels based on existing funding to subrecipients, on anticipated or available funding, and on applicants' service measures such as ridership and service hours and miles. The Department will not reduce funding to continue existing service that meets the selection criteria in order to fund new projects. To the extent that funding permits, the Department will consider applications for existing, new, or expanded service from all regions of the state. **Section 5310 and 5311:** Capital funding is provided on a discretionary basis, depending on the indication of need by subrecipients as reflected in their capital plans. Priority is given to replacement vehicles (or other equipment) to continue existing service, to vehicles that are part of coordinated services, and to wide geographic distribution of grant funds. The Department solicits comments on Section 5310 applications from the Department of Health and Human Services. **Section 5316 and 5317:** Funding is distributed based on the extent to which

the proposed service meets the goals and eligibility criteria of these programs, and on the priority given the proposed project in the locally developed human services coordination plan for the region. The Department does not distinguish between local revenues and funds derived from service contracts from other agencies, including those contracts paid with federal funds; both are considered local matching funds. Subrecipients may use in-kind contributions as local share, with the approval of the Department. The selection process for all programs considers service to a wide range of geographical regions as well as minority and other disadvantaged groups as a factor in selecting projects. Application forms include information on minority populations so that equity in funding distribution may be ensured.

Intercity bus program (Section 5311). The Department will consult with private bus operators, Section 5311 subrecipients, and others in selecting projects for funding under the Section 5311(f) program through an annual notice that funds are available for the program. The notice includes information on the intercity bus program and an invitation to submit proposals for funding. In evaluating any proposals received, the Department considers intercity bus needs as identified by statewide or regional transportation plans, or by discussions with intercity or local bus operators, regional planning commissions, local governments or citizens. If no applications are received or if proposals do not meet an identified need (relative to other non-urbanized transit needs), the Department may use some or all of the required 15% set-aside of Section 5311 funds in this program for rural transit service after making the required certification. Funding for the intercity bus program may be for administrative, capital, and operating expenses. All Section 5311 reporting and compliance provisions apply to the intercity program as well.

Program of Projects Development. Following receipt of annual apportionment of funds from the FTA, and approximately two months before submission of the program of projects to FTA, the Department distributes applications with explanatory material to all subrecipients and others who have requested applications. Department staff reviews each application for content and compliance with all requirements, and awards are based on the criteria and distribution method listed above. The program of projects is then submitted to the FTA regional office. **Section 5316 and 5317:** The Department notifies FTA of any successful applications from designated recipients in urbanized areas so that they may apply directly to FTA.

The state and regional transportation planning process also contributes to the development of service planning and improvements in the public transportation program. The Department makes FTA planning funds available to regional planning agencies, transit operators, or others to assess transportation needs and conduct transit planning activities. Regional and statewide transit plans play an important part in the design of transit services. The Department includes all FTA program funds in the Statewide Transportation Improvement Program (STIP).

Fund Transfers. For those subrecipients adjacent to or partly within an urbanized area, the Department may require the transfer of Section 5307 funds apportioned to that area to Section 5311 for that subrecipient's non-urbanized area service. Other available Section 5307 funds may be transferred to the pool of Section 5311 funds, or to other urbanized areas in accordance with FTA procedures and with the applicable Federal share percentages retained. The Department may transfer Section 5307 funds, Section 5310 funds, or flexible funds to Section 5311 as permitted by FTA guidance; notice of the transfers is forwarded to FTA.

State Administration and Technical Assistance. The Department utilizes its state administration share of the Section 5310 and 5311 grants to cover expenses related to program

administration, compliance monitoring, and technical assistance. These expenses include salaries and benefits, overhead, office expenses, equipment, travel, and other approved administrative costs. Technical assistance includes advice to subrecipients of their regulatory obligations, both state and federal; assistance with financial management of subrecipients' programs; site visits and meetings with boards and staff of subrecipients as appropriate; and other assistance as needed. The Department meets regularly in person or by telephone with individual grantees, and attends regular meetings of the New Hampshire Transit Association, which include most transit operators and many Section 5310 subrecipients. Other technical assistance is provided through the Rural Transit Assistance Program (see below).

Rural Transit Assistance Program management. The goal of the Rural Transit Assistance Program (RTAP) in New Hampshire is to improve the quality of public transportation through a higher level of training of personnel involved in the delivery of services, technical assistance to transit and paratransit operators, and other support to public transportation. The emphasis of the program is on assistance to rural transit operators, while including other transit and paratransit operators to the extent possible. The Department relies on information from transportation operators, as well as its staff, to select projects for inclusion in the state's program. This information comes from the state transit association or the RTAP Advisory Committee, which includes representatives from Section 5311 and 5310 grantees or other paratransit operators, and other appropriate agencies. It is the Department's policy to provide direct RTAP training at no cost whenever possible, although participants may be required to meet travel, lodging, food and other expenses related to attendance at an RTAP event. The Department provides RTAP training and technical assistance through its own staff, by contract with consultants or other organizations, and by arrangement with neighboring states through reciprocal training and technical assistance offerings. More detailed information on RTAP programs and requirements is available on the RTAP website, www.nhrtap.org.

Private Sector Participation. The Department reviews locally developed human services coordination plans to ensure that private operators are included in the planning process. In addition, applicants certify that they have complied with the requirements for private sector participation included in the FTA circulars. The Department requires each subrecipient to have in place a procedure for hearing and resolving any complaints from private operators, and to inform the Department of any changes in such procedure. In the event a complaint cannot be resolved at the subrecipient level, the Department will mediate the complaint.

Civil Rights. The Department's funding application requires subrecipients to provide information on any active lawsuits or complaints alleging discrimination, investigations, or other compliance review activities, as required by FTA. This information is received annually or biennially, or, in the case of Section 5310, whenever a subrecipient applies for a capital grant. Applicants also provide a description of other sources of revenue, including Federal agencies, and minority populations in the service area. Each subrecipient must annually sign and submit Certifications and Assurances. Subrecipients must report as required on DBE goals and on progress in meeting the goals. With regard to the Equal Employment Opportunity requirements, in the event that a Section 5311 subrecipient exceeded the thresholds for EEO requirements, a full EEO program would be required.

Maintenance. The Department's procedures for monitoring vehicle maintenance are spelled out below. Those subrecipients operating facilities funded by FTA are required to develop and follow facility maintenance plans.

Charter Rule. Section 5311 subrecipients are required to submit certifications and assurances of compliance with the charter rule. Each applicant for funding is required to list private transportation operators in its service area. In the event a Section 5311 subrecipient proposes a charter that does not fall under one of the approved exemptions (e.g. to a nonprofit group serving the elderly or disabled), the subrecipient must comply with the notice provisions of the charter rule. Charter income is identified separately in Section 5311 accounting, permitting the Department to monitor these operations. In the event charter information is incomplete or cannot be verified, the Department may prohibit charter operations under its contract with the subrecipient. Complaints are handled by subrecipients' complaint process and, if made to the Department, may be referred to the Department's hearings officer or transportation appeals board if not resolved at the staff level.

Section 504/ADA. The Department reviews the services provided by subrecipients annually for compliance with ADA requirements. This includes review of paratransit plans and services where applicable, and information gained on site visits to determine whether service provision complies with the Americans with Disabilities Act, Section 504 and pertinent regulations for maintenance and operation of accessibility features and other ADA requirements. The Department works with the state purchasing bureau for procurement of subrecipients' vehicles, and its specifications require compliance with all ADA regulations. When subrecipients procure equipment, the Department reviews and approves specifications to ensure compliance.

National Transit Database Reporting (Section 5311). The Department transmits the FTA NTD form to subrecipients and verifies the information received for accuracy when compared with other reports and data submitted to the Department. The Department then completes the NTD form and submits it to FTA.

State Program Management. The Department enters into an annual or biennial contract with each Section 5311, 5316, or 5317 subrecipient, and a contract for each Section 5310 vehicle provided. The contract requires adherence to FTA and state guidelines for program management. The Department follows the guidelines for State Management Reviews in carrying out its compliance monitoring activities. Compliance monitoring for grants of operating assistance includes review of information included with invoices

Accounting requirements (Section 5311, 5316, 5317). Subrecipients must maintain ledger sheets on forms to be approved by the Department and payment and receipt registers. Subrecipients submit to the Department monthly and quarterly statements indicating all revenues and costs. The subrecipient maintains records for three years after grant closeout for inspection by the Department. Requests for payment to the state must include total costs, revenues, and local matching funds, as well as the Federal portion of the costs. Payments are made on a reimbursement basis for costs incurred by the subrecipient. Each subrecipient is responsible for retaining an independent auditor to perform an annual compliance and financial audit, to be submitted for review to the Department. Final payment and closeout, if applicable, are withheld pending receipt of any pending reports, including certified audit, and subrecipients must provide any required reimbursement within 30 days of the audit date.

Equipment procurement. Vehicles in all programs are procured by the state in compliance with state purchasing regulations and federal regulations, including 49 CFR Part 18 and FTA Circular 4220.1E. Subrecipients that are capable of managing procurements themselves may on request be permitted to procure equipment themselves or

through a procurement by another agency. Subrecipients may purchase other equipment such as radios directly under small purchase procedures. Title to equipment rests with the subrecipient, but the Department holds a security interest or lien throughout the useful life of the equipment and is responsible for protecting the federal interest in the property.

Equipment and property management. As noted above, each subrecipient's contract requires compliance with vehicle maintenance guidelines in the interest of operating safe, clean, and properly functioning vehicles, and with facility construction and property management regulations and guidelines. The Department receives annually an inventory of vehicles and other project equipment and a certification of the current use and continued need for the equipment, and conducts an on-site inspection of all vehicles at least every three years. This includes a review of maintenance records to ensure that original equipment manufacturer's guidelines, at a minimum, are being followed. Evidence of adequate levels of insurance on vehicles must be presented to the Department prior to contract approval.

Vehicle use and disposition. The Department verifies through regular site visits that subrecipients are using vehicles consistent with their funding applications and with FTA guidelines. The Department has established the following useful life thresholds for all vehicles: vans, sedans or station wagons, 4 years or 100,000 miles; small buses, school buses, or minibuses, 6 years or 150,000 miles; transit buses under 30 feet, 7 years or 200,000 miles; 30-34 feet, 10 years or 300,000 miles; 35 feet or over, 12 years or 500,000 miles; over-the-road coaches, 12 years or 1,000,000 miles (whichever comes first). Vehicles that have not reached the useful life threshold may be sold only with the approval of the Department under unusual circumstances, if appropriate reimbursements are made. Vehicles beyond the useful life threshold may be sold for fair market value or at the state surplus property auction. All proceeds from equipment sales must be dedicated to the subrecipient's transportation program. When the proceeds of a vehicle sale exceed \$5,000, the Department requires reimbursement of the Federal share of the value or a reduction in subsequent capital grants equal to that amount. The Department may require transfer of vehicles to other eligible subrecipients if their use does not meet minimum mileage thresholds or is not consistent with program purposes, or if the vehicle is no longer needed for the program purpose. In such an event, the agency receiving the vehicle may have to pay the proportionate local share to the agency from which the vehicle was transferred.

Other reporting requirements. Each subrecipient is required to submit a quarterly narrative report of program activities; a quarterly performance report detailing costs, revenues, service hours and miles, passenger trips and other pertinent information; accident reports if applicable; a report of charter activity (Section 5311); documentation of DBE contracting; and evidence of workers compensation insurance.

Other provisions. Additional regulatory requirements are addressed in the application process, by requiring the specified clauses, certifications or assurances to be signed by each subrecipient. These include, but are not limited to, Buy America, environmental protection, labor protection, lobbying restrictions, pre-award and post-delivery audit, drug and alcohol testing, and school bus regulations. The Department distributes pertinent information on these requirements to each subrecipient, meets with subrecipients as necessary, and arranges workshops, site visits, or other meetings to provide the available information on the regulation to subrecipients and monitor compliance activities. Subjects of these workshops or on-site meetings include topics

such as drug and alcohol testing, cost allocation, financial management, civil rights reporting, and vehicle maintenance.

Program Measures. Section 5310: Applicants for program funding must indicate how many individuals the equipment requested will serve. This provides an indication of gaps in service that are filled through the program. The quarterly reports submitted by all subrecipients include ridership figures. **Section 5316:** Subrecipients are required to report on the number of jobs potentially accessed by JARC projects, and on actual ridership on a quarterly basis. **Section 5317:** Subrecipient applications describe service improvements that result in increased availability of transportation for persons with disabilities, and on infrastructure, vehicle, or other capital improvements. They are required to report on ridership quarterly.

Designated Recipient Program Management (Section 5316 and 5317). The Department's procedures for program management and compliance activities for these programs are the same as those spelled out above under State Program Management.

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